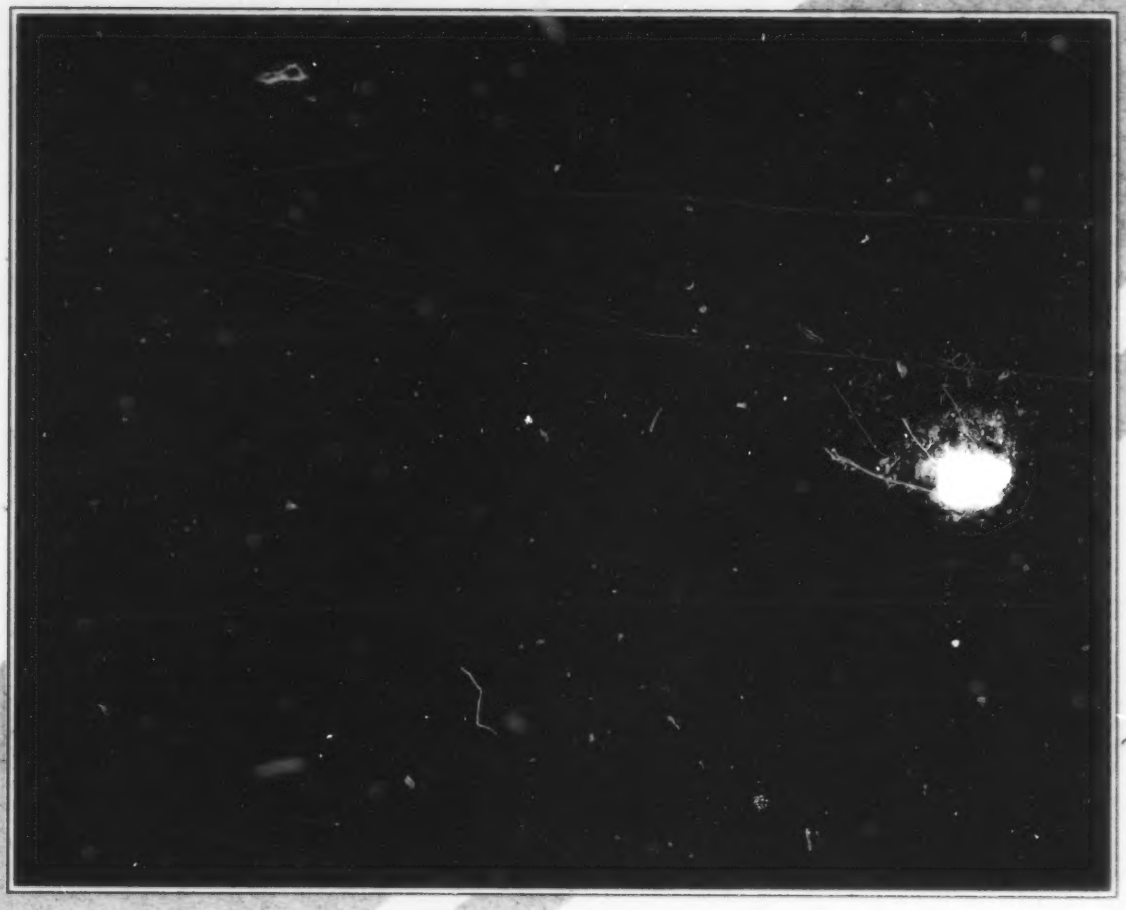


THE MANITOBA LAW FOUNDATION

LA FONDATION MANITOBAINE DU DROIT

93-02477/

THE MANITOBA LAW FOUNDATION
LA FONDATION MANITOBAINE DU DROIT

The Honourable James C. McCrae
Minister of Justice and Attorney General
Department of Justice
Legislative Building
Winnipeg, Manitoba

Dear Mr. Attorney:

RE: Fiscal Year Ended 31 March 1992

I have the honour to submit to you, in accordance with Subsection 76 (1) of The Law Society Act (the "Act"), the sixth Annual Report of **The Manitoba Law Foundation.**

Financial Statements for the year ended 31 March 1992 were examined by the Foundation's auditors, Price Waterhouse, Chartered Accountants, whose report dated 09 April 1992 is attached. The Financial Statements were approved by the Foundation's Directors at a meeting of the Board held on 28 May 1992.

I am pleased to set out below some comments on the financial results, transactions and other information regarding the fiscal year just completed.

I. Composition of the Board of Directors

The affairs of the Foundation are administered by a Board of Directors appointed pursuant to the provisions of Section 66 of the Act. Under the provisions of Subsection 68 (1) of the Act terms of appointment may range from 2 to 4 years and directors may be reappointed. Members of the Board during the fiscal period included:

A. Appointed by the Minister of Justice 30 October 1989 for a three-year term

John Burgess (Chairperson)
Ian Restall (Vice-Chairperson)
Linda Butcher
Patricia Bruderer
Robert Sulkers

B. Appointed by The Law Society of Manitoba

Jack M. Chapman, Q.C. [1]
E. William Olson, Q.C. [2]
J. F. Reeh Taylor, Q.C. [3]
Samuel I. Wilder, Q.C. [4]
Colleen P. Suche, Q.C.[5]

1 Term completed 31 August 1991
2 Resigned 01 February 1992
3 Appointed 01 September 1989 for a three-year term
4 Appointed 01 September 1991 for a three-year term
5 Appointed 10 February 1992 for a term to expire 31 August 1995

C. Reappointed by the president of the Manitoba Branch of the Canadian Bar Association 30 October 1989 for a three-year term

Allan P. Cantor, Q.C.

D. Appointed by the Dean of the Faculty of Law, University of Manitoba 01 July 1989 for a three-year term

Roland Penner, Q.C.

II. Meetings of the Board

Section 73 of the Act requires that the Board meet at least four times annually. In the past fiscal year the Board met eight times: in 1991 twice in May, and once in each of June, September, October, November, December and in 1992 in March. The meetings in June and October were extended meetings held to consider applications and to approve discretionary grants.

III. Financial Highlights

A. Revenues

	1990-91	1991-92	Change
Interest on Lawyers' Trust	$ 3,803,092	1,795,244	-52.8%
Interest earned on investment	781,946	698,323	-10.7%
Total Revenues	$ 4,585,038	2,493,567	-45.6%

The Foundation's gross revenues decreased 45.6% from the previous fiscal year.

As in past years, revenues have come from two sources: the greater portion (72%) was interest paid to the Foundation on lawyers' trust accounts maintained pursuant to the provisions of Subsection 39 (2) of the Act. The remaining portion (28%) came from earnings on invested assets.

The decrease of 52.8% for trust revenues was due to a reduction in the average balance on deposit in lawyers' trust accounts, but primarily to a decline in short term interest rates.

Major financial institutions have continued to be cooperative in their relationships with the Foundation.

The decrease in yield on investments has been minimized by a combination of factors including cautious but productive internal investment management strategies adopted by the Foundation and an increase in the Foundation's Reserve for Future Grants as compared with prior fiscal years.

B. Operational Costs

Operating expenditures were $170,301 which is an increase of about 5.6% over the previous year. The increase results partly from the impact of the Goods and Services Tax and partly from non-recurring expenses in the fiscal year. In the GST taxation scheme law foundations are "end-users"; they are not eligible for rebates or exemptions.

The Board has determined that its operational expenditures are generally lower than those for similar organizations in other North American jurisdictions.

The Board has approved an operating budget for 1992/93 which projects no

increase over budgeted expenditures in the current year. Actual expenditures for operations in 1992/93 will probably decline.

The Board has continued its policy of putting limits on the Foundation's operational expenditures without sacrificing efficient management practices so as to maximize the amount available for distribution in the form of grants.

C. Investments

The Foundation continues to implement an investment policy combining the acquisition of low-risk marketable mid-term and money market securities and short-term investment through the Provincial Treasury.

Unallocated amounts and sums not needed immediately by funded projects and programs were invested. The Foundation earned a total of $698,323 in interest on investments (including interest accrued but not received). This represents a decrease of $83,623 or 10.7% from the previous fiscal year.

The average weighted annualized yield on investment was 11.43% as at the last day of the fiscal year just ended. The return on investment achieved by the Foundation through its internal management compares favourably with professionally-managed funds with a similar asset base.

Grants are paid first out of interest on investment, thereafter from accumulated surplus and thereafter from current revenues.

D. Reserve for Future Grants

The Foundation maintains a reserve for future discretionary grants. The maximum amount for the reserve has been set by Board policy at $2.5 million. Ten percent of the revenues from interest paid on lawyers' general trust accounts has been added to the reserve in past years. In the current year this policy was suspended. The Board resolved instead in 1991-92 to add to the reserve the amount of $283,413, being the unallocated balance in the budgeted amount for discretionary grants in the year. No other amounts were added to the reserve. The reserve at year-end therefore stood at approximately $1.95 million. This is 78% of the maximum reserve considered by the Board ultimately to be necessary for its continued operations.

The Board anticipates that the reserve will be reduced by at least $500,000 or 26% of its present level in the next five years and probably by more. By 1997 the reserve is expected not to exceed $1.45 million or 58% of the optimal level.

The major purpose for the reserve is to provide some stability during periods of revenue reductions. The reserve is wholly reflected in secure investments maturing in periods not exceeding five years.

E. Revenue Projections

The Foundation has anticipated the downturn in revenues experienced in the current fiscal year and it has planned accordingly. A further decline of at least 30% in gross revenues is expected in fiscal '92/'93. A drastic revenue decline in '92/'93 would severely curb discretionary granting activities were it not for the availability of the reserve for future grants accumulated since 1986. The Board has concluded a plan for judicious use of the reserve to supplement monies otherwise available for discretionary grants. The plan will be reviewed and revised at least annually.

IV. Grants

A. Allocations under the provisions of Subsection 65 (1) of the Act (Mandatory Grants)

The Act provides that the Foundation allocate a portion of interest on lawyers' trust accounts received in the previous fiscal year to The Legal Aid Services Society (50% or a minimum of $1,007,629) and The Law Society of Manitoba (16.67% or a minimum of $335,383) for its educational purposes. Accordingly, the following grants were paid and accrued.

1. **The Legal Aid Services Society of Manitoba**

Disbursed	$ 1,901,546
Accrued	1,007,629

2. **The Law Society of Manitoba**

Disbursed	$ 633,975
Accrued	335,383

B. Discretionary Grants under the provisions of Subsection 65 (4) of the Act.

Monies available for discretionary grants consist of the surplus at the end of the previous fiscal year after the deduction for operating expenses, mandatory grants, and, in most years, a contribution to the Foundation's reserve for future grants. To this may be added grants or portions of grants previously approved and subsequently cancelled or returned. The Foundation began the fiscal year with $1,507,995 available for discretionary grants to which $13,701 in cancelled or unused grants was added. A total of $1,238,285 in discretionary grants was approved by the Board. An unallocated balance of $283,413 was placed in the reserve for future grants.

The Foundation received and considered 59 applications for discretionary grants in 1991-92. Thirty discretionary grants were approved in accordance with the objects provided in Section 63 of the Act as follows:

(A) LEGAL EDUCATION

Aboriginal Justice Institute	
Development of the Institute	$ 12,500.00
"Pilot" phase (conditional)	$122,000.00
Canadian Bar Foundation	
Canadian Bar Review	$ 5,300.00
Community Dispute Centre	
Community Educator	$ 5,000.00
Community Legal Education Association (Manitoba), Incorporated	
General Operating Grant 1991/92	$ 40,000.00
Family Violence Workshops (Rural)	$ 16,773.00
P.L.E.A. Project 1991	$ 15,000.00
Supplemental for executive search	$ 4,822.00
Faculty of Law, University of Manitoba	
Emergency Grant to maintain instructional program 1991/92	$170,000.00
Graduate Fellowship for 1992/93 Academic Year	$ 15,000.00
Native Students' Program 1991/92	$ 23,750.00
Petro-Canada/MLF Native Bursary	$ 9,000.00
John Howard Society of Manitoba	
Legal Education Programs	$ 6,200.00
Manitoba Action Committee on the Status of Women (Brandon)	
Purchase Legal Information Materials for Rural Distribution	$ 1,250.00
Manitoba Theatre for Young People	
"Taking Liberties" production	$ 5,600.00
Native Law Centre, University of Saskatchewan	
General Operating Grant 1991/92 and Researcher	$ 17,500.00

(B) LEGAL RESEARCH

Criminology Research Centre, University of Manitoba	
Family Violence Court Study	$ 25,000.00
Legal Research Institute at the University of Manitoba	
General Operating Grant 1991/92	$ 60,000.00

(C) LEGAL AID SERVICES

Community Unemployed Help Centre	$ 22,000.00
Law Phone-In	$ 43,500.00
Legal Aid Services Society of Manitoba	
University Clinic	$ 67,000.00
Public Interest Law Centre	$ 220,000.00

(D) LAW REFORM

Canadian Bar Association	
Criminal Code Revision	$ 2,500.00

Manitoba Law Reform Commission	
Research Consultant	$ 34,000.00
Trust Law Project	$ 34,000.00
Manitoba Bar Association	
Legislative Review Officer (supplementary grant)	$ 7,590.00
Mediation Services, Inc.	
Mediator Training Program	$ 5,500.00
Case Worker	$ 26,000.00

(E) LAW LIBRARIES

E. K. Williams Law Library, University of Manitoba	
Acquisitions	$ 41,500.00
Government of Manitoba, and The Law Society of Manitoba	
Courthouse Libraries	$ 180,000.00

VI. CHAIRPERSON'S COMMENTS

At the end of October 1991 The Manitoba Law Foundation celebrated its fifth anniversary. By that time the Board had approved almost $17.5 million dollars in discretionary and statutory grants for law-related programs and projects benefitting the citizens of Manitoba.

This is the sixth annual report and the end of the fifth full year of the establishment of The Manitoba Law Foundation. The time seems right for a review and a look ahead.

The Board and Staff began in the first year of operations --- 1986/87 --- to negotiate aggressively with financial institutions and to effect other measures to increase its revenues. Within the first few months enhanced agreements covered the Foundation's operational expenses completely and provided monies for statutory and discretionary grants that would not have been available before 1986.

Recognizing the cyclical nature of the economy and the sensitivity of the Foundation's revenues to short term interest rates, the Board has always taken a long view. In years of relatively high revenues the Board has resisted external pressure to distribute all the money it had on hand. Instead it contributed regularly to a Reserve for Future Grants to provide stability for its grant recipients. The wisdom of this cautious and responsible approach is now apparent.

The inevitable revenue decline has arrived. In the past two years the Foundation's gross revenues have decreased by about 55%. A further slide of at least 30% is anticipated for 1992/93 when we expect to hit the bottom of the cycle. Because of the Board's careful policy of committing only monies it actually has at hand (not those it merely projects that it will earn), the impact of the drop in revenues has been delayed. The total of discretionary grants will decline by about 60% in 1992/93. Programs and projects mainly or wholly dependent on

Foundation grants will be given priority. Limited-term projects will be screened carefully and decisions will be deferred as necessary.

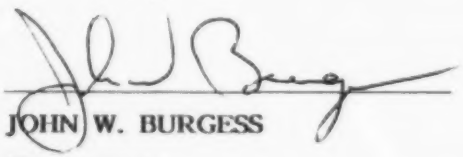
All discretionary grants will likely be covered by the Foundation's available distributable surplus in 1992/93.

In 1993/94 we anticipate that the total dollars committed to grants will decline only slightly, but half or more of that amount will come from the Foundation's Reserve Account. Again, the funding of limited-term projects will have to be curtailed.

Foundation grants have supported initiatives in areas such as the investigation of the law and family violence, the establishment of the only experimental aboriginal court in the Province, numerous public legal education efforts, aid to aboriginal law students, plays about law for young people, a vigorous public interest law centre which gives priority to poverty law matters, and many other worthy projects. In many instances Foundation grants have "leveraged" contributions from sources outside Manitoba. The Foundation can be justly proud of its record.

Positive recognition does not always come readily to the legal profession or to financial institutions when they work for the public good. The Manitoba Law Foundation could not exist were it not for the support an cooperation it enjoys from government, the law profession and financial institutions.

All of which is respectfully submitted,



JOHN W. BURGESS
Chairperson,
The Manitoba Law Foundation

15 June 1992

FINANCIAL STATEMENTS

31 March 1992

AUDITORS' REPORT

09 April 1992

To the Board of Directors of The Manitoba Law Foundation:

We have audited the balance sheet of The Manitoba Law Foundation as at March 31, 1992 and the statements of revenue, expenditures, grants and unallocated revenue, and reserve for future grants for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 1992 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

Price Waterhouse
Chartered Accountants

BALANCE SHEET

	March 31 1992	March 31 1991
ASSETS		
CASH	$ 94,741	$ 69,914
SHORT-TERM INVESTMENTS - at cost - Schedule 1	4,195,739	5,912,104
ACCRUED INTEREST ON INVESTMENTS	207,316	249,897
	$ 4,497,796	$ 6,231,389
LIABILITIES AND UNALLOCATED REVENUE		
GRANTS ALLOCATED AND UNDISBURSED - Schedule 2	$ 1,565,647	$ 3,054,910
RESERVE FOR FUTURE GRANTS (Note 3)	1,951,897	1,668,484
UNALLOCATED REVENUE (Note 4)	980,252	1,507,995
	$ 4,497,796	$ 6,231,389

Approved by the Board of The Manitoba Law Foundation

Chairperson

Vice-Chairperson

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

	Year Ended March 31	
	1992	1991
REVENUE		
Interest received on lawyers' trust accounts	$ 1,795,244	$ 3,803,092
Interest earned on investments	698,323	781,946
	2,493,567	4,585,038
ADMINISTRATIVE EXPENDITURES		
Audit and legal	3,827	5,500
Bank charges	22	18
Board fees	11,560	10,602
Courier	794	561
Furniture and fixtures	3,001	4,013
Insurance	3,231	2,539
Meeting expenses	10,126	5,943
Miscellaneous expense	1,732	1,774
Office, postage and telephone	9,862	8,338
Rent	8,697	9,234
Salaries and staff benefits	110,425	105,662
Travel	7,024	7,028
	170,301	161,212
EXCESS OF REVENUE OVER EXPENDITURES	2,323,266	4,423,826
GRANTS ALLOCATED DURING THE YEAR - Schedule 2	2,567,596	3,783,091
OVER (UNDER) ALLOCATED REVENUE FOR THE YEAR	(244,330)	640,735
UNALLOCATED REVENUE, BEGINNING OF YEAR	1,507,995	1,285,744
APPROPRIATION TO RESERVE FOR FUTURE GRANTS (Note 3)	(283,413)	(418,484)
UNALLOCATED REVENUE, END OF YEAR	$ 980,252	$ 1,507,995

STATEMENT OF RESERVE FOR FUTURE GRANTS

	Year ended March 31	
	1992	1991
Reserve, beginning of year	$1,668,484	$1,250,000
Appropriation from unallocated revenue	283,413	418,484
Reserve, end of year	$1,951,897	$1,668,484

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE FOUNDATION

The Manitoba Law Foundation was established by Act of the Legislative Assembly of Manitoba and was assented to October 23, 1986. The Foundation receives interest earned on lawyers' trust accounts and disburses grants to organizations specified in the Act and to other organizations at the discretion of the Board of Directors.

The objects of the Foundation, as set out in the Act, are to encourage and promote: (a) legal education, (b) legal research, (c) legal aid services, (d) law reform, and (e) the development and maintenance of law libraries.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Interest on lawyers' trust accounts

Interest on lawyers' trust accounts is recognized in the Foundation's accounts as the financial institutions advise the Foundation of the amounts.

The Law Foundation assumes that solicitors who hold funds in trust for or on account of clients comply strictly with Section 39 of The Law Society Act.

(b) Interest on short-term investments

Interest on short-term investments is recorded in the accounts on the accrual basis.

(c) Fixed assets

Expenditures for the purchase of furniture and fixtures are expensed in the year of acquisition.

(d) Grants

Pursuant to subsection 65(1) of The Law Society Act, grants equal to 50% and 16.67% of the interest received on lawyers' trust accounts annually or $1,007,629 and $335,383, respectively, whichever is greater, are to be paid to The Legal Aid Services Society of Manitoba and The Law Society of Manitoba respectively. Provision for such grants is recorded annually in the Foundation's accounts. In the event there are insufficient funds to meet these commitments, grants will be calculated on a pro rata basis and will be deemed to be in full satisfaction of the grant obligation.

Grants other than as described above are recorded in the Foundation's accounts in the year of authorization.

3. RESERVE FOR FUTURE GRANTS

The purpose of the reserve for future grants is to provide stability during periods of revenue reductions. The Board's policy is to add a minimum of 10% of the revenues from interest received on lawyers' trust accounts until the total reserve is $2,500,000. In addition, the Board may, at its discretion, transfer additional amounts from unallocated revenue to the reserve for future grants. Reserves are invested in secure investments maturing in periods not exceeding five years.

4. UNALLOCATED REVENUE

Unallocated revenue at March 31, 1992 is expected to be disbursed as follows:

Conditionally approved 1992/93 discretionary grants	$ 476,500
Continuing 1992/93 discretionary grants	233,000
Committed for 1993/94 discretionary grants	270,752
	$ 980,252

SCHEDULE 1

SHORT-TERM INVESTMENTS

MARCH 31, 1992

	Original Cost	Premium or Discount	Maturity Date	Rate	Accrued Interest March 31, 1992	Market Value March 31, 1992
Provincial Treasury						
Term Deposit	$ 50,000	$ -	30 Jun 92	7.10%	$ -	$ 50,000
Term Deposit	100,000	-	31 Mar 93	7.10%	-	100,000
Midland Walwyn						
National Trust GIC's	392,000	(8,000)	01 May 92	10.88%	25,838	400,000
National Trust GIC's	501,350	1,350	17 May 93	13.00%	23,554	517,500
Royal Trust GIC's	500,000	-	15 May 92	11.00%	48,440	500,000
Montreal Trust GIC's	98,890	(1,110)	15 Feb 93	11.38%	2,135	101,500
Montreal Trust GIC's	300,000	-	14 Aug 93	12.00%	22,731	300,000
Montreal Trust GIC's	500,000	-	15 Feb 93	11.38%	7,240	507,500
GMAC Debentures	352,240	2,240	31 Mar 94	11.75%	22,405	360,500
GMAC Debentures	500,200	200	31 Mar 93	11.80%	12,126	505,750
T-D Mtg. Acceptances	300,000	-	12 Apr 93	12.97%	18,332	310,500
Central Guaranty Trust	50,000	-	27 Jul 93	12.50%	4,255	51,500
Manitoba Hydro Bonds	100,500	500	15 Jun 96	9.25%	7,506	100,000
Scotia Mortgage	321,000	21,000	09 Jan 95	10.80%	5,026	318,000
Wood Gundy						
Scotia Mtg. Acceptances	129,559	(5,441)	13 Jul 92	10.25%	7,728	135,000
	$4,195,739				$ 207,316	

SCHEDULE 2

GRANTS ALLOCATED AND UNDISBURSED

FOR THE YEAR ENDED MARCH 31, 1992

	Allocated	Undisbursed
PER SUBSECTION 65(1) THE LAW SOCIETY ACT		
The Legal Aid Services Society of Manitoba	$1,007,629	$1,007,629
The Law Society of Manitoba	335,383	335,383
	$1,343,012	$1,343,012
PER SUBSECTION 65(4) THE LAW SOCIETY ACT (DISCRETIONARY)		
(A) LEGAL EDUCATION		
Aboriginal Justice Institute		
Development of the Institute	12,500	
"Pilot" phase [conditional]	122,000	122,000
Canadian Bar Foundation		
Canadian Bar Review	5,300	
Community Dispute Centre		
Community Educator	5,000	
Carried Forward:	$1,487,812	$1,465,012

	Allocated	Undisbursed
Brought Forward:	$1,487,812	$1,465.012
Community Legal Education Association		
General Operating '91/'92	40,000	
Family Violence Workshops [Rural]	16,773	16,773
P.L.E.A. Project 1991	15,000	
Supplemental for executive search	4,822	
Faculty of Law		
Emergency Grant to maintain instructional program 1991/92	170,000	
Graduate Fellowship for 1992/93 Academic Year	15,000	15,000
Native Students' Program 1991/92	23,750	5,937
Petro-Canada/MLF Native Bursary	9,000	
Computer Lab [approved in 1990]		1,862
Student Computer Access [approved in 1989]		6,300
John Howard Society of Manitoba, Inc.		
Legal Education Programs	6,200	
Manitoba Action Committee on the Status of Women (Brandon)		
Purchase Legal Information Materials for Rural Distribution	1,250	
Manitoba Bar Association		
Video Tape Library [approved in 1989]		6,713
Manitoba Metis Federation, Inc.		
Native Justice Research [approved in 1990]		36,750
Manitoba Theatre for Young People		
"Taking Liberties" production	5,600	5,600
Native Law Centre		
General Operating - 1991/92 and Researcher	17,500	
(B) LEGAL RESEARCH		
Criminology Research Centre		
Family Violence Study	25,000	
Legal Research Institute (U of M)		
General Operating 1991/92	60,000	
(C) LEGAL AID SERVICES		
Community Unemployed Help Centre	22,000	
Law Phone-In	43,500	
Legal Aid Services Society of Manitoba		
Public Interest Law Centre	220,000	
University Clinic	67,000	
(D) LAW REFORM		
Canadian Bar Association		
Criminal Code Revision	2,500	
Manitoba Bar Association		
Legislative Review Officer [supplementary grant]	7,590	
Manitoba Law Reform Commission		
Trust Law Project	34,000	
Research Consultant	34,000	5,700
Mediation Services, Inc.		
Mediator Training Program	5,500	
Case Worker	26,000	
(E) LAW LIBRARIES		
E. K. Williams Law Library		
Acquisitions	41,500	
Government of Manitoba and The Law Society of Manitoba		
Courthouse Libraries	180,000	
(F) CANCELLED OR UNUSED GRANTS		
Aboriginal Justice Institute		
Development	(4,746)	
Consumers' Association of Canada [Manitoba]		
Small Claims Court Video	(5,700)	
E. K. Williams Law Library		
Computer Hardware	(995)	
Acquisitions '88/89	(200)	
Acquisitions '89/90	(1,167)	
Faculty of Law		
Native Students' Program - Pilot Project	(225)	
Winnipeg Housing Concerns Group		
Tenant Information Seminars	(668)	
	$ 2,567,596	$ 1,565,647

THE MANITOBA LAW FOUNDATION was established by the Legislature through amendments to The Law Society Act which came into effect on 23 October 1986. Financial institutions must pay to the Foundation interest on general trust accounts maintained by lawyers practising in Manitoba. This does not include the interest paid on specific trust investments held for individual clients. General trust deposits are usually held by lawyers in circumstances where the administrative cost of segregating the funds would exceed the interest payable to individual clients.

OBJECTIVES

The legislation establishing the Foundation spells out the purposes for which its money can be used. The objects of the Foundation are to encourage and promote:

(a) legal education;
(b) legal research;
(c) legal aid services;
(d) law reform; and
(e) the development and maintenance of law libraries.

ADMINISTRATION

The Foundation's affairs are administered by a Board of Directors consisting of ten members. Five members are appointed by the Minister of Justice; three are appointed by the Benchers of The Law Society of Manitoba; one is appointed by the president of the Manitoba Branch of the Canadian Bar Association; one is the Dean of the Faculty of Law, University of Manitoba or a member of the Faculty appointed by the Dean. The Minister of Justice designates one of the Directors as Chairperson and another as Vice-Chairperson. The Board meets regularly to decide on grant applications and policy matters including the collection and investment of revenues. A small staff is employed to take care of administrative matters and to advise prospective applicants for funding.

FUNDING GUIDELINES

A summary of the Foundation's granting policy and application forms are available from the Executive Director. In general, projects must fall within the stated objectives as interpreted by the Board of Directors. There are no limits on the amount of grants, but all grants are subject to the availability of funds. The grants mandated by legislation have a prior claim.

The Foundation is willing to fund projects that are creative and innovative as long as they fit its objectives and benefit the public interest.

APPLICATION PROCEDURES

Potential applicants first contact the Foundation office to discuss a proposal and obtain the necessary application forms. Applications are normally considered in May and October each year. In May applications submitted prior to the end of March are considered; in October applications submitted prior to the end of August are considered. Assistance in the preparation of applications is available from Foundation staff. It is the Board of Directors, however, who make all decisions on funding.

Along with the application forms prospective applicants receive a memorandum to assist in the completion of the package of written materials required by the Board in order to make its decision. Twelve copies of the completed proposal are required.

OBLIGATIONS OF GRANT RECIPIENTS

Grant recipients are required to confirm their obligations by letter in a form approved by the Foundation's Board. Generally, grant recipients must agree to spend the grant money as specified in their application or any variation approved in writing by the Foundation. Funds not spent in accordance with the letter of agreement must be refunded to the Foundation.

The Board of Directors of the Foundation has approved an Evaluation Policy. A memorandum specifying reporting requirements is available from the Foundation office. An independent auditor's report is required unless the Foundation specifically agrees that it is not required.